

1 **So Ordered.**



2 *Frank L. Kurtz*  
3 Frank L. Kurtz  
4 Bankruptcy Judge

5 **Dated: December 21st, 2012**

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9 UNITED STATES BANKRUPTCY COURT  
10 EASTERN DISTRICT OF WASHINGTON

11 In re. . .

12 **ENTERTAINMENT CONCEPTS**  
13 **LLC d/b/a MARQUEE LOUNGE,**

14 Debtor.

No. **12-00244-FLK11**  
Chapter 11

15 **FINDINGS OF FACT AND**  
16 **CONCLUSIONS OF LAW RE:**  
17 **CONFIRMATION OF FIRST**  
18 **AMENDED PLAN OF**  
19 **REORGANIZATION**

20 This matter came on for hearing upon the First Amended Plan of Reorganization that  
21 was filed by Entertainment Concepts LLC (the "Debtor") on December 14, 2012. The  
22 Court considered the comments of counsel, and the records and files herein, including the  
23 following:

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  - First Amended Disclosure Statement [*Docket No. 99*];
  - 25 ▪ First Amended Plan Of Reorganization [*Docket No. 125*];

- 1           ▪   Order Granting Conditional Approval of First Amended Disclosure  
2           Statement And Setting Confirmation Deadlines [*Docket No. 104*];
- 3           ▪   Notice Of Hearing On Amended Disclosure Statement And  
4           Confirmation Of Plan Of Reorganization, Time For Objecting To  
5           Amended Disclosure Statement Or Plan Of Reorganization, Time For  
6           Filing Ballots [*Docket No. 105*];
- 7           ▪   List Classifying Claims And Interests [*Docket No. 103*];
- 8           ▪   Motion to Dismiss or Convert Chapter 11 Proceeding and Objection to  
9           Confirmation of Chapter 11 Plan [*Docket No. 108, Docket No. 109,*  
10           *and Docket No. 110*];
- 11           ▪   Report Of Balloting [*Docket No. 121*];
- 12           ▪   Ballot Summary [*Docket No. 121-1*];
- 13           ▪   Objection to Confirmation of Chapter 11 Plan [*Docket No. 122*]; and
- 14           ▪   Declaration Of Matthew Goodwin In Support Of Confirmation Of First  
15           Amended Plan Of Reorganization [*Docket No. 126*].

16           Based on the foregoing, the Court enters the following FINDINGS OF FACT:

- 17           1.   The Debtor filed a First Amended Disclosure Statement (the “Disclosure  
18           Statement”) and a First Amended Plan Of Reorganization (the “Plan”) on October 22, 2012  
19           and December 14, 2012.
- 20           2.   On November 1, 2012, following appropriate notice, the Court entered an  
21           Order Approving First Amended Disclosure Statement And Setting Confirmation Hearing  
22           (the “Order”).

1           3.     The Debtor transmitted the Disclosure Statement, the Plan, and related  
2 materials to the Master Mailing List on November 1, 2012.

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4           4.     The Plan contains no unusual classifications of claims or interest. Similar  
5 claims are classified together, and are treated equally within each class. The Plan provides  
6 the same treatment for each claim or interest within a particular class.

7  
8           5.     The Debtor did not solicit acceptances or rejections of the Plan except as  
9 authorized by the Order.

10           6.     The Debtor's Plan proposes to pay secured and priority claims in full, and to  
11 pay general unsecured creditors in full, as set forth in the Plan.

12  
13           7.     The Plan has been proposed in good faith and not by any means forbidden by  
14 law.

15           8.     The compensation of Davidson Backman Medeiros PLLC and Jeff Kavadias  
16 CPA, PC for services rendered through the Confirmation Date will be subject to Court  
17 approval after notice and hearing. Davidson Backman Medeiros PLLC and Jeff Kavadias  
18 CPA, PC will be employed after confirmation at their normal and usual hourly rates, plus  
19 reimbursement for expenses.  
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21  
22           9.     The Debtor will continue operating its business. There will be no other  
23 insiders employed or retained after reorganization, other than those that have been  
24 previously disclosed. The continuance in office of such individuals is consistent with the  
25 interests of creditors and equity security holders and with public policy.

1           10.    The Plan provides for no rate changes after confirmation of the Plan with any  
2 governmental regulatory commission with jurisdiction over the rates of the Debtor.

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4           11.    The United States of America, Internal Revenue Service (the “IRS”),  
5 by and through Rolf H. Tangvald, Assistant U.S. Attorney, filed a Motion to Dismiss or  
6 Convert Chapter 11 Proceeding and Objection to Confirmation of Chapter 11 Plan on  
7 November 6, 2012 under Docket No. 108, Docket No. 109, and Docket No. 110. The IRS  
8 and the Debtor have resolved the objection and the motions filed by the IRS based on the  
9 treatment of the claims of the IRS as set forth in the Plan, as indicated by the signature of  
10 the attorney for the IRS on the Order Approving Disclosure Statement and Confirming Plan  
11 of Reorganization filed herewith (the “Confirmation Order”).  
12

13  
14           12.    Columbia State Bank (the “CSB”), by and through Alexander Klienber, filed  
15 an Objection to Confirmation of Chapter 11 Plan on December 5, 2012 under Docket No.  
16 122. CSB and the Debtor have resolved the objection filed by CSB based on the treatment  
17 of the claims of CSB as set forth in the Plan, as indicated by the signature of the attorney for  
18 CSB on the Confirmation Order.  
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20           13.    No other objections to confirmation of the Plan were filed.  
21

22           14.    Class 2 and Class 3 under the Plan are impaired. All voting Class 3 claimants  
23 will have voted to accept the Plan upon entry of the Confirmation Order, resulting in  
24 acceptance of the Plan by one hundred percent (100%) by amount and one hundred percent  
25

1 (100%) by number of those claimants that voted. Only Class 3 claimants under the Plan  
2 voted.

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4 15. According to the Declaration of Matthew Goodwin and the Liquidation  
5 Analysis, creditors will receive a greater distribution under the Plan than would be received  
6 if the assets of the Debtor were liquidated by a Chapter 7 Trustee or by any other means.

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8 16. The Plan provides for the financial reorganization of the Debtor.  
9 Confirmation of the Plan is not likely to be followed by the need for further financial  
10 reorganization of the Debtor.

11  
12 17. The Plan provides for payment of administrative claims upon allowance by  
13 the Court.

14 18. The Plan provides for payment of all U.S. Trustee fees when due, through the  
15 closing of the case.

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17 19. The Debtor sponsors no retiree benefits.

18 20. The Debtor is a limited liability company debtor engaged in business.

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20 Based on the foregoing FINDINGS OF FACT, the Court enters the following  
21 CONCLUSIONS OF LAW:

22 1. The Plan has been accepted in writing by the creditors and equity security  
23 holders whose acceptance is required by law; and

24 2. The provisions of Chapter 11 have been complied with; the Plan has been  
25 proposed in good faith and not by means forbidden by law; and

1           3.     Each holder of a claim or interest has accepted the Plan or will receive or  
2 retain under the Plan, property of a value, as of the Effective Date of the Plan, that is not less  
3 than the amount that such holder would receive or retain if the Debtor were liquidated under  
4 Chapter 7 of the Code on such date, or the Plan does not discriminate unfairly, and is fair  
5 and equitable with respect to each class of claims or interests that are impaired under the  
6 Plan and has not accepted the Plan; and  
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8           4.     All payments made or promised by the Debtor by a person issuing securities  
9 or acquiring property under the Plan or by any other person for services or for costs and  
10 expenses in, or in connection with, the Plan and incident to the case, have been fully  
11 disclosed to the Court and are reasonable or, if to be fixed after confirmation of the Plan,  
12 will be subject to approval of the Court; and  
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14           5.     The identity, qualifications, and affiliations of the persons who are to be  
15 directors or officers, if any, of the Debtor after confirmation of the Plan have been fully  
16 disclosed, and the appointment of such persons to such offices or the continued appointment  
17 of such persons to such offices, or their continuance therein, is equitable and consistent with  
18 the interests of the creditors and equity security holders and with public policy; and  
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20           6.     The identity of any insider that will be employed or retained by the Debtor and  
21 their compensation has been fully disclosed; and  
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23           7.     Confirmation of the Plan is not likely to be followed by the need for further  
24 financial reorganization of the Debtor; and  
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1           8.     The Plan shall be substantially consummated pursuant to 11 U.S.C. § 1101(2)  
2     upon assumption by the Debtor of the management of the property dealt with under the  
3     Plan, upon full payment of all administrative expenses, and upon the conclusion of all  
4     adversary and contested matters.  
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7                               /// End of Order ///

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9     Presented by:

10    DAVIDSON BACKMAN MEDEIROS PLLC

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